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7 **UNITED STATES DISTRICT COURT**
8 **DISTRICT OF NEVADA**

9 * * *

10 Navdeep Dhaliwal,

11 Plaintiff,

12 v.

13 MHM Solutions, LLC, *et al.*,

14 Defendants.
15

Case No. 2:21-cv-00568-GMN-BNW

Order re ECF Nos. 49 and 51

16 Before the Court are Defendant MHM Solutions, LLC's motion to enforce settlement
17 (ECF No. 49) and Defendant Nevada Bureau of Disability Adjudication's motion to enforce
18 settlement (ECF No. 51). The Court extended Plaintiff's deadline to December 23, 2021 to
19 respond to these motions. *See* ECF No. 53. Plaintiff has failed to respond by this new deadline.

20 **I. Background**

21 On April 7, 2021, this case was assigned to the Early Neutral Evaluation Program and J.
22 Youchah was assigned to the case as the settlement judge. ECF No. 3. Upon Defendants'
23 appearance a few months later, J. Youchah set the Early Neutral Evaluation. ECF No. 18. At the
24 conclusion of the Early Neutral Evaluation, the parties placed the settlement agreement, including
25 all material terms, on the record. ECF No. 44 (sealed).

26 A few days later, Plaintiff's attorney filed a notice of attorney's lien and sought to
27 withdraw from the case. ECF Nos. 37 and 38. J. Youchah held a hearing on October 27, 2021,
28 granted the motion to withdraw and told Defendants they could file motions to enforce settlement

1 if they wished to do so. ECF No. 42; *see also* ECF No. 50 (sealed). Defendants have done so,
 2 bringing this matter before the Court.

3 **II. Parties' Arguments**

4 Both motions recite similar backgrounds and arguments. Specifically, that Plaintiff
 5 Navdeep Dhaliwal and Defendants MHM Solutions, LLC and State of Nevada Bureau of
 6 Disability Adjudication reached a settlement as to all material terms during the Court's Early
 7 Neutral Evaluation on October 5, 2021. The parties memorialized the settlement on the Court's
 8 record and Plaintiff expressly stated that he understood and agreed with the settlement terms.¹

9 **III. Legal Standard**

10 Federal courts have inherent authority to enforce settlement agreements in pending cases.
 11 *See, e.g., In re City Equities Anaheim, Ltd.*, 22 F.3d 954, 958 (9th Cir. 1994). Even when the case
 12 involves a federal cause of action, the construction and enforcement of settlement agreements are
 13 governed by state law. *Jones v. McDaniel*, 717 F.3d 1062, 1067 (9th Cir. 2013). Nevada law
 14 requires an offer and acceptance, meeting of the minds, and consideration to constitute an
 15 enforceable contract. *May v. Anderson*, 121 Nev. 668, 672 (2005). A contract is formed when the
 16 parties have agreed to the material terms of the agreement, even if the contract's exact language is
 17 not final. *Id.* "A meeting of the minds exists when the parties have agreed upon the contract's
 18 essential terms." *Certified Fire Prot. Inc. v. Precision Constr.*, 283 P.3d 250, 255 (Nev. 2012).

19 Despite the fact that a formal settlement agreement has not yet been signed, the Nevada
 20 Supreme Court has held that a settlement contract can be formed when the parties have agreed to
 21 its material terms, even though the contract's exact language is finalized at a later time. *See May*,
 22 121 Nev. 668; *see also Singh v. Reed*, 551 Fed. Appx. 927 (9th Cir. 2014). Moreover, "where the
 23 parties represent in open court that a settlement was reached and place the terms of the settlement
 24 on the record, courts are empowered to summarily require the parties to comply with those
 25 terms." *Harper v. Nevada Property 1, LLC*, Case. No. 2:19- cv-02069-GMN-VCF, 2021 WL
 26 3418350 (D. Nev. 2021).

27
 28 ¹ The material terms of the settlement agreement were recited and agreed to by Plaintiff on the record and are
 contained in a sealed transcript. *See* Sealed Transcript at ECF No. 44 at 5:11–10:2.

1 **IV. Analysis**

2 First, the Court notes that the motion can be granted as unopposed under LR 7-2(d).
3 Nevertheless, the Court provides its rationale for granting these motions below.

4 After reaching a settlement during the Early Neutral Evaluation, the parties placed the
5 essential terms of that settlement on the record. *See* ECF No. 44 (sealed). Plaintiff expressly
6 agreed to the essential terms of the settlement with each Defendant. *Id.* There is no dispute as to
7 the substance of the agreed-upon terms. *Id.* Plaintiff simply appears to have had a change of heart.
8 However, “[a]n agreement announced on the record becomes binding even if a party has a
9 change of heart after [he] agreed to its terms but before the terms are reduced to writing.” *Doi v.*
10 *Halekulani Corp.*, 276 F.3d 1131, 1138 (9th Cir. 2002) (quoting *In re Christie*, 173 B.R. 890, 891
11 (Bankr. E.D. Tex. 1994)).

12 Accordingly, the undersigned will order that Defendants’ motions to enforce settlement be
13 granted.

14 **V. Sanctions**

15 A court has inherent power to sanction a party if it acts in “willful disobedience of a court
16 order . . . or when the losing party has acted in bad faith, vexatiously, wantonly, or for oppressive
17 reasons” as well as for “willful[] abuse [of the] judicial processes.” *Gomez v. Vernon*, 255 F.3d
18 1118, 1133–34 (9th Cir. 2001) (internal quotation marks and citation omitted). The Ninth Circuit
19 has affirmed the imposition of sanctions under inherent authority when a party attempts to renege
20 on a valid settlement agreement. *See Doi*, 276 F.3d at 1141 (affirming sanctions when the terms
21 of a settlement agreement were placed on the record and the party attempting to withdraw had
22 refused to sign the agreement.)

23 Here, Plaintiff was represented by counsel when he entered into the settlement agreement.
24 When Plaintiff attempted to renege, counsel moved to withdraw. J. Youchah warned Plaintiff that
25 it was highly likely that the agreement would be enforced and that the Court would also likely
26 award the parties seeking to enforce the settlement attorney fees for having to file such motions.
27 ECF No. 50 (sealed). After Defendants filed the instant motion, Plaintiff asked the Court for an
28 extension to respond but failed to comply with the new deadline. Given the totality of the

1 circumstances at play, the Court finds Plaintiff has acted vexatiously and in bad faith. As a result,
2 the request for fees will be granted. The parties are to meet and confer on the issue of fees within
3 10 days of this Order.

4 **IT IS THEREFORE ORDERED** that ECF Nos. 49 and 51 are **GRANTED**.

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6 DATED: December 28, 2021.

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8 BRENDA WEKSLER
9 UNITED STATES MAGISTRATE JUDGE
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